
HOUSE RESOLUTION

AUTHORIZING THE FORMATION OF A TASK FORCE TO STUDY THE ISSUE OF
PAYDAY LOANS.

1 WHEREAS, payday loans currently are regulated by chapter
2 480F, Hawaii Revised Statutes; and

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4 WHEREAS, in December 2005, the Office of the Auditor issued
5 *Report No. 05-11, Sunrise Analysis: Check Cashing and Deferred*
6 *Deposit Agreements (Payday Loans)*; and

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8 WHEREAS, the Auditor's Report found few complaints in
9 Hawaii and little evidence of harm to Hawaii consumers as a
10 result of payday loans; and

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12 WHEREAS, the Auditor's Report found that lowering the
13 maximum fees that may be charged for payday loans to the
14 equivalent of an annual percentage rate of thirty-six percent
15 would effectively drive providers of payday loans out of
16 business; and

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18 WHEREAS, the Auditor's Report found that if payday loans
19 are no longer available, there are few desirable alternatives
20 for consumers who use payday loans; and

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22 WHEREAS, the Auditor's Report also recommended several
23 legislative changes, including instituting a mandatory
24 registration program for all payday lenders with the Department
25 of Commerce and Consumer Affairs; and

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27 WHEREAS, the recommendations in the Auditor's Report have
28 not yet been adopted by the Legislature; and

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30 WHEREAS, the Legislature has received testimony from the
31 Office of Consumer Protection stating it has received very few,
32 if any, complaints about pay day loans in Hawaii; and
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1 WHEREAS, the Legislature also has received testimony from
2 various non-profit service providers alleging that incidents of
3 harm to consumers from payday loans have occurred; now,
4 therefore,

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6 BE IT RESOLVED by the House of Representatives of the
7 Twenty-eighth Legislature of the State of Hawaii, Regular
8 Session of 2015, that various stakeholders are requested to
9 convene a Payday Loans Task Force (Task Force) to study the
10 need, and develop recommendations, for additional regulations
11 relating to payday loans that do not result in payday loans
12 becoming economically unfeasible for providers to offer; and
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14 BE IT FURTHER RESOLVED that the Task Force shall be
15 composed of:

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17 (1) The Chairperson of the Senate Committee on Commerce
18 and Consumer Protection, or the Chairperson's
19 designee, who shall be a voting member of the Task
20 Force;
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22 (2) The Chairperson of the House Committee on Consumer
23 Protection & Commerce, or the Chairperson's designee,
24 who shall be a voting member of the Task Force;
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26 (3) The Director of Commerce and Consumer Affairs, or the
27 Director's designee, who shall be a voting member of
28 the Task Force;
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30 (4) The Commissioner of Financial Institutions, or the
31 Commissioner's representative, who shall be a non-
32 voting member of the Task Force;
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34 (5) The Executive Director of the Office of Consumer
35 Protection, or the Executive Director's designee, who
36 shall be a non-voting member of the Task Force;
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38 (6) A representative from the non-profit organizations
39 that have provided testimony to the Legislature
40 regarding payday loans, selected by the President of



the Senate, who shall be a voting member of the Task Force;

(7) A representative from the non-profit organizations that have provided testimony to the Legislature regarding payday loans, selected by the Speaker of the House, who shall be a voting member of the Task Force;

(8) A representative from the payday loan industry selected by the President of the Senate, who shall be a voting member of the Task Force; and

(9) A representative from the payday loan industry selected by the Speaker of the House, who shall be a voting member of the Task Force; and

BE IT FURTHER RESOLVED that the Task Force shall select a chairperson from among its members; and

BE IT FURTHER RESOLVED that the Task Force is requested to provide a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016; and

BE IT FURTHER RESOLVED that the report include:

(1) An analysis of whether Hawaii consumers currently are being harmed by payday loans, and the specific ways in which any harm is occurring; and

(2) Recommendations, if any, for revisions to Chapter 480F, Hawaii Revised Statutes, to address specific harms to Hawaii consumers identified by the Task Force, but which revisions do not result in payday loans becoming economically unfeasible for providers to offer; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Director of Commerce and



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1 Consumer Affairs, Commissioner of Financial Institutions, and
2 Executive Director of the Office of Consumer Protection.
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OFFERED BY:

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MAR 13 2015

